



Australian Bureau of Statistics

6302.0.55.002 - Information Paper: Changes to Average Weekly Earnings, Australia, Apr 2012

Latest ISSUE Released at 11:30 AM (CANBERRA TIME) 16/04/2012

Summary

Main Features

INTRODUCTION

This information paper describes recent changes to the publication Average Weekly Earnings, Australia (cat. no. 6302.0) as well as impending changes to this publication which will take effect in the 2012-13 financial year. The paper covers the upcoming change in the frequency of the survey from quarterly to biannual and the release of the Average Weekly Cash Earnings (AWCE) series, which is inclusive of salary sacrifice.

FREQUENCY CHANGE OF AVERAGE WEEKLY EARNINGS

In 2010, a review of the Labour Employer Surveys (LES) was undertaken to assess costs, business practices and outputs. Part of this review involved conducting a comprehensive user review in order to get a better understanding of the use, and relative priority, of the range of outputs from the suite of Labour Employer Surveys. This review was completed in December 2010, and led the ABS to propose changes to its range of labour employer survey outputs, while ensuring the critical information requirements of key data users continued to be supported. One of the proposals that was acceptable to the key national users during this consultation process was a reduction in the frequency of the Survey of Average Weekly Earnings (AWE) from quarterly to biannual. The ABS has therefore decided to implement this change.

The change in frequency will take effect during 2012 with the May 2012 publication (released in August 2012) being the last quarterly issue and the November 2012 publication (released in February 2013) the first produced on a biannual basis. From 2013 onwards, AWE data will be produced twice a year relating to the May and November reference periods only. Data will continue to be collected for the reference week ending on or before the Friday of the third week of the middle month of the quarter, and released on the same basis as before for the remaining two quarters. The May and November reference periods were chosen because the majority of specific AWE legislative references relate to these quarters.

The reduced frequency will not result in any changes to the collection methodology of the AWE survey. That is, the sample size, questionnaire design, publication release timetable and survey definitions and concepts will not be affected. Quality assurance processes will be retained at the same level.

The change in frequency will, however, result in changes to the time series (seasonally adjusted and trend estimates). An assessment of the feasibility of releasing seasonally

adjusted and trend estimates determined that seasonal factors remain present in AWE and can be calculated on a biannual basis. However, calculating seasonally adjusted and trend estimates using only two points of measurement each year, rather than the four points available in a quarterly survey, will likely result in a change in the level of these series. For example, if wages data for the third quarter are high, and this quarter is not collected and therefore does not contribute to calculating the trend estimate, then the overall trend is lowered. The impact of this change is not expected to be significant. As an example, using historic data at the Australia level for Male Average Weekly Ordinary Time Earnings, the maximum differences between estimates based on the two frequencies have been \$4.20 in the trend series and \$4.60 in the seasonally adjusted series. Over the length of the series the mean differences were \$0.48 for the trend series and \$0.76 for the seasonally adjusted series.

From the November 2012 publication (released in February 2013), new seasonally adjusted and trend series will be published, calculated on the new biannual basis. These new series will commence with May 2012 data; re-calculated historical series will not be produced. Those users seeking historical seasonally adjusted and trend data will be required to access past AWE publications, which are available on the ABS website. Percentage movement data published in November 2012 will be biannual (May 2012 - November 2012) and annual (November 2011 - November 2012), also calculated on the new biannual basis.

While there will be no change in the methodology used to calculate the AWE original series, from the November 2012 release these series will be published for May and November reference periods only. Users will need to access past AWE publications to obtain historical data for the AWE original series for the February and August reference periods.

AVERAGE WEEKLY CASH EARNINGS SERIES

The average weekly cash earnings series, inclusive of salary sacrifice, has been released since the May 2011 issue of Average Weekly Earnings, Australia (cat. no. 6302.0) and is available on the ABS Website Downloads tab of this release, under the data cubes heading. Data relating to the AWCE series are only available in Excel spreadsheets on the ABS website Downloads tab and not in the PDF version of the publication.

Analysis of the AWCE series highlights salary sacrificing patterns by Australian employees by state or territory, sector and industry. The November 2011 data shows that public sector employees on average salary sacrifice significantly higher amounts than their private sector counterparts, with the average amount salary sacrificed by full-time adults in the public sector being \$105.90 per week, compared with only \$36.30 for the equivalent in the private sector. Across both public and private sectors, employees in the ACT salary sacrifice the most of any state or territory on average (\$69.90 per week for full-time adults), while the highest average amounts of salary sacrificing occurs in the Health care and social assistance industry (\$183.00 per week for full-time adults). The weekly amount salary sacrificed can be calculated by subtracting the AWE series from the corresponding AWCE series (the above data were calculated using rounded full-time adult ordinary time earnings data).

Another point of interest is that the gender gap in the AWCE series is narrower than it is when using the standard AWE series as a measure. For November 2011, full-time adult female average weekly ordinary time earnings as a percentage of the male equivalent was 82.67% in the AWE series. The same comparison between females and males in the AWCE was 83.62%, a difference of 0.95 of a percentage point (using rounded, original series data). On average, full-time adult females salary sacrifice larger amounts than full-time adult males

(\$54.80 for females, compared with \$49.30 for males). This can be attributed to the female dominated workforce in the Health care and social assistance industry, the industry in which salary sacrifice is most prevalent. While AWE data can be used to compare, at a very broad level, average earnings between males and females, such comparisons do not take into account a range of compositional differences, for example differences in occupation or hours worked, which also contribute to the differences observed between male and female earnings.

For full details on the AWCE series, see the information paper titled [Information Paper: Release of Average Weekly Cash Earnings Series](#) (cat. no. 6302.0.55.003). This was released on 21 July 2011 and outlines the background to the series, the classifications and time periods to be released, and where to find the data on the website.

FURTHER INFORMATION

For further information on the AWCE, the frequency change or general queries related to AWE please contact Clair Phillips on Perth (08) 9360 5303.

About this Release

This information paper describes recent changes to the publication Average Weekly Earnings, Australia (cat. no. 6302.0) as well as impending changes to this publication which will take effect in the 2012-13 financial year. The paper covers the upcoming change in the frequency of the publication from quarterly to biannual and the release of the Average Weekly Cash Earnings (AWCE) series, which is inclusive of salary sacrifice.

© Commonwealth of Australia

All data and other material produced by the Australian Bureau of Statistics (ABS) constitutes Commonwealth copyright administered by the ABS. The ABS reserves the right to set out the terms and conditions for the use of such material. Unless otherwise noted, all material on this website – except the ABS logo, the Commonwealth Coat of Arms, and any material protected by a trade mark – is licensed under a Creative Commons Attribution 2.5 Australia licence